

Message Text

CONFIDENTIAL

PAGE 01 ADDIS 00326 101115Z

17

ACTION AF-06

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 IO-10 SCCT-01 SY-04 SAM-01 SAJ-01

NIC-01 EB-07 EUR-12 ARA-06 EA-06 SAB-01 AID-05 COME-00

CIEP-01 LAB-04 SIL-01 TRSE-00 STR-01 AGR-05 ACDA-05

OES-03 /127 W

----- 117579

R 100958Z JAN 75

FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 2602

INFO AMCONSUL ASMARA

C O N F I D E N T I A L ADDIS ABABA 0326

AF FOR EASUM

E.O.11652: GDS

TAGS: PINS PINT MASS ET

SUBJ: EMBASSY'S QUARTERLY REPORT

1. EXECUTIONS, SOCIALISM AND UNCERTAINTY

SINCE THE EMBASSY'S LAST QUARTERLY REPORT (DATED OCTOBER 16), HISTORIC AND TRAUMATIC EVENTS HAVE OCCURRED IN ETHIOPIA. THE NOVEMBER 23 EXECUTION OF GENERAL AMAN ANDOM AND 59 FORMER CIVIL AND MILITARY LEADERS, THE TERRORIST BOMBINGS IN ADDIS ABABA, AND THE PROCLAMATION ON DECEMBER 20 OF "ETHIOPIAN SOCIALISM" HAVE LEFT OUR TRADITIONAL CONTACTS - THE EDUCATED GOVERNMENT AND BUSINESS ELITES - SHAKEN, CONFUSED AND GENERALLY PESSIMISTIC. AMAN PROBABLY BROUGHT ABOUT HIS OWN DEMISE BY INSISTING UPON REAL AUTHORITY FOR HIMSELF AND A STREAMLINING OF THE "DIRG." NEVERTHELESS, HIS DEATH CAUSED CONSTERNATION AMONG HIS SUPPORTERS AND WAS TAKEN, RIGHTLY OR WRONGLY, AS A SIGNAL BY ERITREANS THAT

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ADDIS 00326 101115Z

THE EPMG WOULD TRY TO SOLVE THE PROBLEM OF ERITREAN INSURGENCY

MILITARILY. WHILE THE GENERAL PUBLIC SHED FEW TEARS FOR MOST OF THE OTHER 59 DEAD, THE ARISTOCRACY AND WEALTHY BOURGEOISIE BECAME EVEN MORE AWARE THAT THEIR FUTURE IS A RISKY ONE, AT LEAST FOR THEIR PRIVILEGES.

A RASH OF BOMBINGS DECEMBER 2, PROBABLY DIRECTED BY ERITREAN INSURGENTS, FURTHER DEMORALIZED THE PUBLIC IN ADDIS ABABA ALREADY SHAKEN BY THE EXECUTIONS. THE INCREASE OF MILITARY GUARDS IN PUBLIC PLACES, MILITARY TRAFFIC IN THE STREETS AND THE NUMEROUS ARRESTS OF ERITREAN SUSPECTS INCREASED PUBLIC SECURITY CONCERNS. ALTHOUGH IT HAD BEEN RUMORED FOR WEEKS, THE PROCLAMATION OF "ETHIOPIAN SOCIALISM" ON DECEMBER 20 SURPRISED MANY FOREIGN OBSERVERS AND FURTHER DISTURBED THE ALREADY UNEASY ETHIOPIAN PRIVATE BUSINESS COMMUNITY. THE CONTENT AND MEANING OF "ETHIOPIAN SOCIALISM" REMAINS UNCLEAR AND UNDEFINED, BUT THE PUBLISHED TEXT OF THE DECEMBER 20 ANNOUNCEMENT SUGGESTS A RATHER MODERATE FORM OF SOCIALISM, AT LEAST INITIALLY.

THE GOVERNMENT CONTINUES TO MOVE VERY SLOWLY ON LAND REFORM AND HAD, AT YEAR'S END, NATIONALIZED ONLY ENTERPRISES WHICH WERE PRIMARILY STATE-OWNED. THE STUDENTS, WHO ARE TO CARRY OUT THE AMBITIOUS "DEVELOPMENT THROUGH COOPERATION" CAMPAIGN, AT THE YEAR'S END, STILL WAITING TO BE SENT TO THE COUNTRYSIDE. IN THE MEDIA WESTERN, ESPECIALLY US-SPONSORED, CONTRIBUTIONS HAVE ALL BUT DISAPPEARED, WHILE CHINESE, CUBAN AND SOVIET BLOC PROPAGANDA ABOUND.

IN SPITE OF THE UNEASINESS AND UNCERTAINTY FELT AMONG THE EDUCATED ETHIOPIAN MIDDLE CLASS AND FOREIGN COMMUNITIES, THE EPMG APPEARS TO BE ATTACKING SUCCESSFULLY SOME PROMINENT SOCIAL AND ECONOMIC PROBLEMS. THE ECONOMY HAS TAKEN A NOTICEABLE TURN FOR THE BETTER DURING THIS QUARTER. TAX REVENUES HAVE INCREASED; CONSTRUCTION EMPLOYMENT IN ADDIS, AT A CRITICALLY LOW LEVEL SEVERAL MONTHS AGO, HAS REPORTEDLY REVIVED; THE LABOR SCENE IS QUIET; AND MOST STREET URCHINS HAVE BEEN MOVED FROM STREET CORNERS TO REEDUCATION CENTERS AND, HOPEFULLY, MORE PRODUCTIVE LIVES IN THE COUNTRYSIDE. THE EXTERNAL SECTOR CONTINUES TO PERFORM STRONGLY. ETHIOPIA IS LIKELY TO ENJOY A SURPLUS TRADE BALANCE OF AROUND E\$100 MILLION DURING 1974 AND FOREIGN EXCHANGE RESERVES WERE ROUGHLY E\$700 MILLION AT YEAR END. INFLATION IN URBAN AREAS HAS BEEN MODEST WITH THE GOE RETAIL PRICE INDEX UP ONLY THREE PERCENT DURING THE FIRST TEN MONTHS OF THE YEAR. THE OUTLOOK FOR AGRICULTURAL PRODUCTION, AS THE NEW CROP SEASON BEGINS, IS SUBSTANTIALLY CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ADDIS 00326 101115Z

BETTER THAN LAST YEAR AND MANUFACTURING OUTPUT ALSO INCREASED DURING THE QUARTER.

AS OF DECEMBER 31, THE "DIRG," IN SPITE OF WIDESPREAD INTERNAL DISSENSION AND MUFFLED CRITICISM, IS CLEARLY IN CONTROL OF THE GOVERNMENT. THE APPOINTMENT ON NOVEMBER 28 OF BG TEFERI BENTI AS THE NEW EMAC CHAIRMAN INDICATED THAT THE "DIRG" DESIRED A PLIABLE FRONT-MAN WITH A GOOD RECORD WHO WOULD NOT CONTEST ITS WILL.

2. ERITREA

THE MOST DIFFICULT, AND POTENTIALLY THE MOST DESTRUCTIVE, PROBLEM THE EPMG FACES IS IN ERITREA. ERITREANS TOOK AMAN'S DEATH AS A SIGNAL THAT THE "DIRG" PLANNED TO DESTROY ERITREAN DISSIDENCE AND, IF NECESSARY, ERITREA ITSELF BY MILITARY FORCE. THIS VIEW WAS REINFORCED BY THE LATE NOVEMBER, EARLY DECEMBER MOVEMENT OF MILITARY UNITS FROM SHOA TO ERITREA. ELF/PLF BOMBINGS IN ASMARA IN LATE DECEMBER SPARKED MILITARY/POLICE REPRISALS AND THE SECURITY SITUATION THERE DETERIORATED FURTHER. A HIGH-RANKING EPMG DELEGATION VISITED AMSARA AFTER THE BOMBINGS TO TALK IWTH LOCAL RELIGIOUS AND COMMUNITY LEADERS. REPORTEDLY, THEY OFFERED TO NEGOTATE WITH THE INSURGENTS, BUT AS IN THE PAST, REFUSED TO DISCUSS COMPLETE ERITREAN INDEPENDENCE. FEW OBSERVERS NOW BELIEVE THAT A MILITARY SOLUTION IS POSSIBLE IN ERITREA. IN FACT, ALTHOUGH WE THINK THE ASSESSMENT PREMATURE, MANY HERE VIEW ERITREA AS ALREADY SLIPPING FROM ETHIOPIA'S GRASP.

AS THE ERITREAN SITUATION DETERIORATES, THE EPMG IS BEING PRESSED BY ARAB NATIONS, ESPECIALLY SAUDI ARABIA AND KUWAIT, TO RESOLVE THE PROBLEM BY REVIVING THE 1952 FEDERATION. SO FAR, THE EPMG APPEARS UNWILLING TO MAKE SUCH A CONCESSION. THE EMBASSY BELIEVES, HOWEVER, THAT IF THE "DIRG" CAN FIND THE INTERNAL COHESION TO PERMIT IT TO PURSUE A COMPROMISE SOLUTION LIKE FEDERATION OR FAR-REACHING AUTONOMY, AN ACCOMMODATION MIGHT STILL BE WORKED OUT.

3. DROUGHT SITUATION AND RELIEF EFFORTS

ALTHOUGH DESERT LOWLANDS, WHOSE PEOPLES TRADITIONALLY LEAD A MARGINAL EXISTENCE, CONTINUE TO BE AFFECTED BY DROUGHT, GOOD TO EXCELLENT HIGHLAND HARVESTS HAVE REDUCED THE NEED FOR INTERNATIONAL FOOD RELIEF. BY OCTOBER, THE EMPHASIS OF MOST DONOR COUNTRIES AND RELIEF AGENCIES HAD CHANGED FROM EMERGENCY RELIEF PROGRAMS TO REHABILITATION OF THE AFFECTED POPULATION. USAID REHABILITATION PROJECTS READY FOR IMPLEMENTATION EMPHASIZE RURAL ROADS, AGRICULTURAL

CONFIDENTIAL

PAGE 04 ADDIS 00326 101115Z

PRODUCTION, PLANT PROTECTION, WATER DEVELOPMENT AND CONSERVATION.

4. INPLICATIONS FOR THE UNITED STATES

THE DIRECTION OF ETHIOPIAN POLITICS, DOMESTICALLY AND INTERNATIONALLY IS NOT YET CLEAR. THE EPMG PROFESSES AND APPEARS TO WANT GOOD RELATIONS WITH THE UNITED STATES AND GREATLY DESIRES MORE AID, ESPECIALLY MILITARY. IT HAS MODERATED ITS STANCE ON SEVERAL ISSUES REGARDING USAID PROGRAMS AND NOW SEEMS INCREASINGLY WILLING TO SIGN THE PERTINENT AGREEMENTS ON OUR TERMS. INCREASED SOCIALIST RHETORIC IN THE MEDIA AND REPORTED SUSPICIONS WITHIN THE EPMG OF US MOTIVES AND ACTIONS CONTRAST WITH CONTINUED US WORKING-LEVEL ACCESS TO RANKING ETHIOPIAN OFFICIALS AND THEIR REASSURANCES THAT "ETHIOPIAN SOCIALISM" WILL NOT "GO TOO FAR." IT IS PROBABLE THAT THE EPMG ITSELF DOES NOT KNOW PRECISELY WHERE IT IS GOING OR WHAT POLICIES WILL BE. GIVEN INTERNAL UNCERTAINTY IN THE FACE OF GREAT EXPECTATIONS

WHICH REMAIN UNMET, THE EPMG MUST APPEAR TO BE ACCOMPLISHING SOMETHING OR RISK GROWING ACTIVE OPPOSITION. IT IS VERY POSSIBLE THAT WITHIN THE NEXT FEW MONTHS THE CONSEQUENCES OF THE EVENTS OF THE PAST SIX WEEKS -- THE EXECUTIONS, "ETHIOPIAN SOCIALISM", AND ERITREA -- WILL BECOME EVIDENT. CERTAINLY, THE EPMG WILL HAVE TO FLESH OUT ITS PROGRAMS IN ORDER TO JUSTIFY ITS EXISTENCE. DURING THIS PERIOD, WE SHOULD BE ABLE TO OBTAIN A CLEARER PICTURE OF THE EMPG'S NEAR-TERM GOALS AND OF THE GENERAL DIRECTION IN WHICH THE COUNTRY IS HEADING. MEANWHILE THERE IS STILL REASON TO BELIEVE THAT CORE ELEMENTS WITHIN THE ETHIOPIAN GOVERNMENT CONTINUE TO APPRECIATE THE IMPORTANCE TO ETHIOPIA OF GOOD RELATIONS WITH THE US.

WYMAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, ECONOMIC CONDITIONS, QUARTERLY REPORTS, SOCIALIST GOVERNMENT, EXECUTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: johnsorg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ADDIS00326
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750010-0507
From: ADDIS ABABA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750164/aaaacdsl.tel
Line Count: 182
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: johnsorg
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 AUG 2003 by izenbei0>; APPROVED <02 DEC 2003 by johnsorg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBASSY'S QUARTERLY REPORT
TAGS: PINS, PINT, MASS, ET
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006